

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

Case No. 17-bk-3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-bk-4780-LTS

**INFORMATIVE MOTION REGARDING ESTIMATED CLAIM AMOUNTS FOR
CLASSES 1 AND 2 OF THE MODIFIED SECOND AMENDED TITLE III PLAN
OF ADJUSTMENT OF THE PUERTO RICO ELECTRIC POWER AUTHORITY**

To the Honorable United States District Judge Laura Taylor Swain:

1. On March 1, 2023, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) as sole representative of the Puerto Rico Electric Power Authority

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-bk-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-bk-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17-bk-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17-bk-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17-bk-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-bk-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

(“PREPA” or the “Debtor”) in this Title III case pursuant to section 315(b) of the *Puerto Rico Oversight, Management and Economic Stability Act* (“PROMESA”),² filed the following:

- a. *Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* [Case No. 17-4780, ECF No. 3296]³ (the “Modified Second Amended Plan”); and
- b. *Disclosure Statement for Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority* [ECF No. 3297] (the “Modified Disclosure Statement”).

2. On March 3, 2023, the Court entered the *Order (I) Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Approving Confirmation Hearing Notice and Confirmation Schedule, (IV) Approving Solicitation Packages and Distribution Procedures, (V) Approving Forms of Ballots and Voting and Election Procedures, (VI) Approving Notice of Non-voting Status, (VII) Fixing Voting, Election, and Confirmation Deadlines, and (VIII) Approving Vote Tabulation Procedures* [ECF No. 3304] (the “Disclosure Statement Order”).⁴

3. The Modified Second Amended Plan, Modified Disclosure Statement, and Disclosure Statement Order provide the following:

- a. the claim amount for Class 1 (Settling Bondholder Claims) is estimated at \$74,900,593.18;⁵ and
- b. the claim amount for Class 2 (Non-Settling Bondholder and Non-Settling Monoline Claims) is estimated at \$7,565,470,824.09.⁶

4. The Modified Disclosure Statement also contains projected recovery percentages (the “Projected Recovery Percentages”), which account for the estimated claim amounts for Class

² PROMESA is codified at 48 U.S.C §§ 2101-2241.

³ Unless otherwise stated, all ECF Nos. shall refer to the docket in Case No. 17-4780.

⁴ Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Modified Second Amended Plan, Modified Disclosure Statement, or Disclosure Statement Order, as applicable.

⁵ Modified Second Amended Plan, Article XVIII; Modified Disclosure Statement, pp. 4 n. 11, 28, 267; Disclosure Statement Order ¶ 40.

⁶ Modified Disclosure Statement, p. 29; Disclosure Statement Order ¶ 40.

1 (Settling Bondholder Claims) and Class 2 (Non-Settling Bondholder and Non-Settling Monoline Claims). Modified Disclosure Statement, §§ II.B and VI.E.

5. Upon further reconciliation following the Settlement Offer Deadline, the Solicitation Agent identified an additional, timely tender of an Uninsured Bond Claim (the “Additional Tender”) that was inadvertently rejected. As a result of the Additional Tender, the estimated claim amount for Class 1 (Settling Bondholder Claims) is now \$74,972,430.68 and Class 2 (Non-Settling Bondholder and Non-Settling Monoline Claims) is now \$7,565,398,986.59 (the “Updated Estimated Claim Amounts”).

6. Accordingly, the Oversight Board intends to revise the Modified Second Amended Plan and Modified Disclosure Statement included in the Solicitation Package to reflect the Updated Estimated Claim Amounts, as necessary. Given the relatively small amount of the Additional Tender, the Projected Recovery Percentages in the Modified Disclosure Statement remain accurate.

7. The Oversight Board also intends to use the Updated Estimated Claim Amounts, as applicable, as the deemed allowed amounts for PREPA Revenue Bond Claims in Class 1 (Settling Bondholder Claims) and Class 2 (Non-Settling Bondholder and Non-Settling Monoline Claims) solely for purposes of tabulating votes to accept or reject the Plan. The Vote Tabulation prepared by the Solicitation Agent will contain an explanation of this change.

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Dated: March 3, 2023
San Juan, Puerto Rico

Respectfully submitted,
/s/ Martin J. Bienenstock

Martin J. Bienenstock
Ehud Barak
Margaret A. Dale
Jeffrey W. Levitan
Michael T. Mervis
Daniel S. Desatnik
Elliot R. Stevens
(Admitted *Pro Hac Vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

Paul V. Possinger
(Admitted *Pro Hac Vice*)
PROSKAUER ROSE LLP
70 West Madison, Suite 3800
Chicago, IL 60602
Tel: (312) 962-3550
Fax: (312) 962-3551

*Attorneys for the Financial
Oversight and Management Board
as sole Title III representative for PREPA*

O'NEILL & BORGESS LLC

/s/ Hermann D. Bauer
Hermann D. Bauer
USDC No. 215205
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

*Attorneys for the Financial
Oversight and Management Board
as representative for PREPA*

CERTIFICATE OF SERVICE

I hereby certify that, on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

/s/Hermann D. Bauer
Hermann D. Bauer